

“(2) payments of interest in accordance with section 148(f).”.

SEC. 1402. INDIVIDUALS ELIGIBLE TO RECEIVE A NATIONAL SERVICE EDUCATIONAL AWARD FROM THE TRUST.

Section 146 (42 U.S.C. 12602) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “if the individual” and inserting “if the organization responsible for an individual’s supervision certifies that the individual”;

(B) by striking paragraphs (1), (2), and (3) and inserting the following:

“(1) met the applicable eligibility requirements for the position; and

“(2)(A) successfully completed the required term of service described in subsection (b) in an approved national service position; or

“(B)(i) satisfactorily performed prior to being granted a release for compelling personal circumstances under section 139(c); and

“(ii) served at least 15 percent of the required term of service described in subsection (b); and”;

(C) by redesignating paragraph (4) as paragraph (3);

(2) by striking subsection (c) and inserting the following:

“(c) **LIMITATION ON RECEIPT OF NATIONAL SERVICE EDUCATIONAL AWARDS.**—An individual may not receive, in national service educational awards, more than an amount equal to the aggregate value of 2 such awards for full-time service. The aggregate value of summer of service educational awards that an individual receives shall have no effect on the aggregate value of national service educational awards the individual may receive.”;

(3) in subsection (d)—

(A) in paragraph (1) by inserting after “national service educational award” the following: “or a summer of service educational award”;

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), and in subparagraph (A), by inserting after “national service educational award” the following: “or a summer of service educational award”;

(ii) in subparagraph (A) by striking “or” at the end;

(iii) in subparagraph (B) by striking the period at the end and inserting “; or”;

(iv) by adding at the end the following:

“(C) in the case of a summer of service educational award, is enrolled at an eligible institution of higher education under section 148(c) or an educational institution described under section 148(a)(4) and failed to expend the full amount of that award during the original 7-year period.”; and

(4) in subsection (e)(1)—

(A) by inserting after “qualifying under this section” the following: “or under section 111(a)(5)”;

(B) by inserting after “to receive a national service educational award” the following: “or a summer of service educational award”.

SEC. 1403. DETERMINATION OF THE AMOUNT OF NATIONAL SERVICE EDUCATIONAL AWARDS.

Section 147(a) (42 U.S.C. 12603(a)) is amended—

(1) by striking “a value, for each of not more than 2 of such terms of service, equal to 90 percent of—” and inserting “a value of—”;

(2) by striking paragraphs (1) and (2) and inserting the following:

“(1) \$4,825, for fiscal year 2008;

“(2) \$4,925, for fiscal year 2009;

“(3) \$5,025, for fiscal year 2010;

“(4) \$5,125, for fiscal year 2011; and

“(5) \$5,225, for fiscal year 2012 and each fiscal year thereafter.”.

SEC. 1404. DISBURSEMENT OF EDUCATIONAL AWARDS.

Section 148 (42 U.S.C. 12604) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking “cost of attendance” and inserting “cost of attendance or other educational expenses”;

(B) in paragraph (3), by striking “and”;

(C) by redesignating paragraph (4) as paragraph (6);

(D) by inserting after paragraph (3) the following:

“(4) to pay expenses incurred in enrolling in an educational institution or training establishment that meets the requirements of chapter 36 of title 38, United States Code (38 U.S.C. 3451 et seq.);

“(5) for a recipient of a summer of service educational award under section 111(a)(5)(D), to pay expenses incurred in enrolling in a college preparatory program in accordance with subsection (e); and”;

(E) in paragraph (6) (as so redesignated) by striking “subsection (e)” and inserting “subsection (f)”;

(2) in subsection (b)(1) by inserting after “the national service educational award of the individual” the following: “, or an eligible individual under section 111(a)(5) who received a summer of service educational award for a project that began after the individual completed grade 10 and desires to apply that summer of service educational award.”;

(3) in subsection (b)(2) by inserting after “the national service educational award” the following: “or the summer of service educational award, as applicable.”;

(4) in subsection (b)(5) by inserting after “the national service educational award” the following: “or the summer of service educational award, as applicable.”;

(5) in subsection (b)(7)—

(A) in subparagraph (A), by striking “, other than a loan to a parent of a student pursuant to section 428B of such Act (20 U.S.C. 1078–2); and” and inserting a semicolon;

(B) in subparagraph (B), by striking the period and inserting “; and”;

(C) by adding at the end the following:

“(C) any loan (other than a loan described in subparagraph (A) or (B)) determined by an institution of higher education to be necessary to cover a student’s educational expenses and made, insured, or guaranteed by—

“(i) an eligible lender, as defined in section 435 of the Higher Education Act of 1965 (20 U.S.C. 1085);

“(ii) the direct student loan program under part D of title IV of such Act;

“(iii) a State agency; or

“(iv) a lender otherwise determined by the Corporation to be eligible to receive disbursements from the National Service Trust.”;

(6) in subsection (c)(1), by inserting after “national service educational award” the following: “, or an eligible individual under section 111(a)(5) who desires to apply the individual’s summer of service educational award.”;

(7) in subsection (c)(2)(A), by inserting after “national service educational award” the following: “or summer of service educational award, as applicable.”;

(8) in subsection (c)(2)(C)(iii), by inserting after “national service educational awards received under this subtitle” the following: “or summer of service educational awards received under section 111(a)(5)”;

(9) in subsection (c)(3), by inserting after “national service educational awards” the following: “and summer of service educational awards”;

(10) in subsection (c)(5)—

(A) by inserting after “national service educational award” the following: “, or summer of service educational award, as applicable.”;

(B) by inserting after “additional” the following: “summer of service educational awards and additional”;

(11) in subsection (c)(6), by inserting after “national service educational award” the following: “and summer of service educational award”;

(12) in subsection (d), by inserting after “national service educational awards” the following: “and summer of service educational awards”;

(13) by redesignating subsections (e), (f), and (g) as (f), (g), and (h), respectively;

(14) by inserting after subsection (d) the following:

“(e) **USE OF SUMMER OF SERVICE EDUCATIONAL AWARD TO PAY COLLEGE PREPARATORY EXPENSES.**—

“(1) **APPLICATION OF ELIGIBLE INDIVIDUALS.**—An eligible individual under section 111(a)(5), or the parents or legal guardian of such an individual, who desires to apply the summer of service educational award of the individual to the payment of expenses incurred in enrolling in a college preparatory program shall, on a form prescribed by the Corporation, submit an application to the college preparatory program in which the individual will be enrolled that contains such information as the Corporation may require to verify the individual’s eligibility.

“(2) **SUBMISSION OF REQUESTS FOR PAYMENT BY PROGRAM.**—A college preparatory program that receives one or more applications under paragraph (1) shall submit to the Corporation a statement, in a manner prescribed by the Corporation, that—

“(A) identifies each eligible individual filing an application under paragraph (1) for a disbursement of the individual’s summer of service educational award under this subsection;

“(B) specifies the amounts for which such eligible individuals are qualified for disbursement; and

“(C) certifies that—

“(i) the college preparatory program is operated by a for-profit or non-profit organization with a track record of success in implementing college preparatory programs that collaborate with local educational agencies and adequately prepare secondary school students for admission to an institution of higher education without need for remediation;

“(ii) the college preparatory program has been in existence for at least one year prior to an eligible individual’s submission of the application under paragraph (1); and

“(iii) individuals using summer of service educational awards received under section 111(a)(5) to pay the cost of enrolling in the college preparatory program do not comprise more than 15 percent of the total number of individuals enrolled in the program; and

“(D) contains such provisions concerning financial compliance and program quality as the Corporation may require.

“(3) **DISBURSEMENT OF PAYMENTS.**—Upon receipt of a statement from a college preparatory program that complies with paragraph (2), the Corporation shall, subject to paragraph (4), disburse the total amount of the summer of service educational awards for which eligible individuals who have submitted applications to that program under paragraph (1) are scheduled to receive. Such disbursement shall be made by check or other means that is payable to the program and requires the endorsement or other certification by the eligible individual.

“(4) **MULTIPLE DISBURSEMENTS.**—The total amount required to be disbursed to a college preparatory program under paragraph (3) for any period of enrollment may be disbursed by the Corporation in two or more installments consistent with appropriate divisions of such period of enrollment.

“(5) **REFUND RULES.**—The Corporation shall, by regulation, provide for the refund to the Corporation (and the crediting to the summer of service educational award of an eligible individual) of amounts disbursed to programs for the benefit of eligible individuals who withdraw or otherwise fail to complete the period of enrollment for which the assistance was provided. Amounts refunded to the Trust pursuant to this paragraph may be used by the Corporation to fund additional approved summer of service positions under section 111(a)(5).